Reissue of mutilated currency notes

2927. SHRI SHARAD YADAV:
SHRI KRIPAL PARMAR:
SHRI C. PERUMAL:
SHRI SURENDRA LATH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that wads of currency notes reissued by the Public Sector Banks contain a large number of mutilated, partially cut, two-pieces, mismatched and old notes that have outlived their life;

(b) whether this practice is in violation of the directions issued by the Reserve Bank of India; and

(c) if so, the steps Government propose to take to avoid inconveniece to the customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) has not received any complaint of wads of currency notes reissued by the public sector banks containing a large number of mutilated, partially cut, two pieces, mismatched and old notes that have outlived their life. In November 2001, RBI has issued a Directive to the banks to issue only clean notes to the public.

(b) Does not arise.

(c) RBI has a Clean Note Policy to ensure availability of good quality notes to the members of the public. Stapling of notes has been done away with. Commercial banks have been advised by RBI to install note-sorting machines at their currency chest branches to facilitate sorting of notes into reissuable and non-issuables. All banks have been advised by RBI to provide the service of exchange of soiled notes, notes to coins and coins to notes at all of their branches and exchange of mutilated notes at their currency chest branches.

Credit of Euro 43 million to SIDBI

2928. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Small Industries Development Bank of